

Navigating AI: Emerging Trends in Hospitality

*Map your AI strategy with key data and insights
from hospitality leaders*

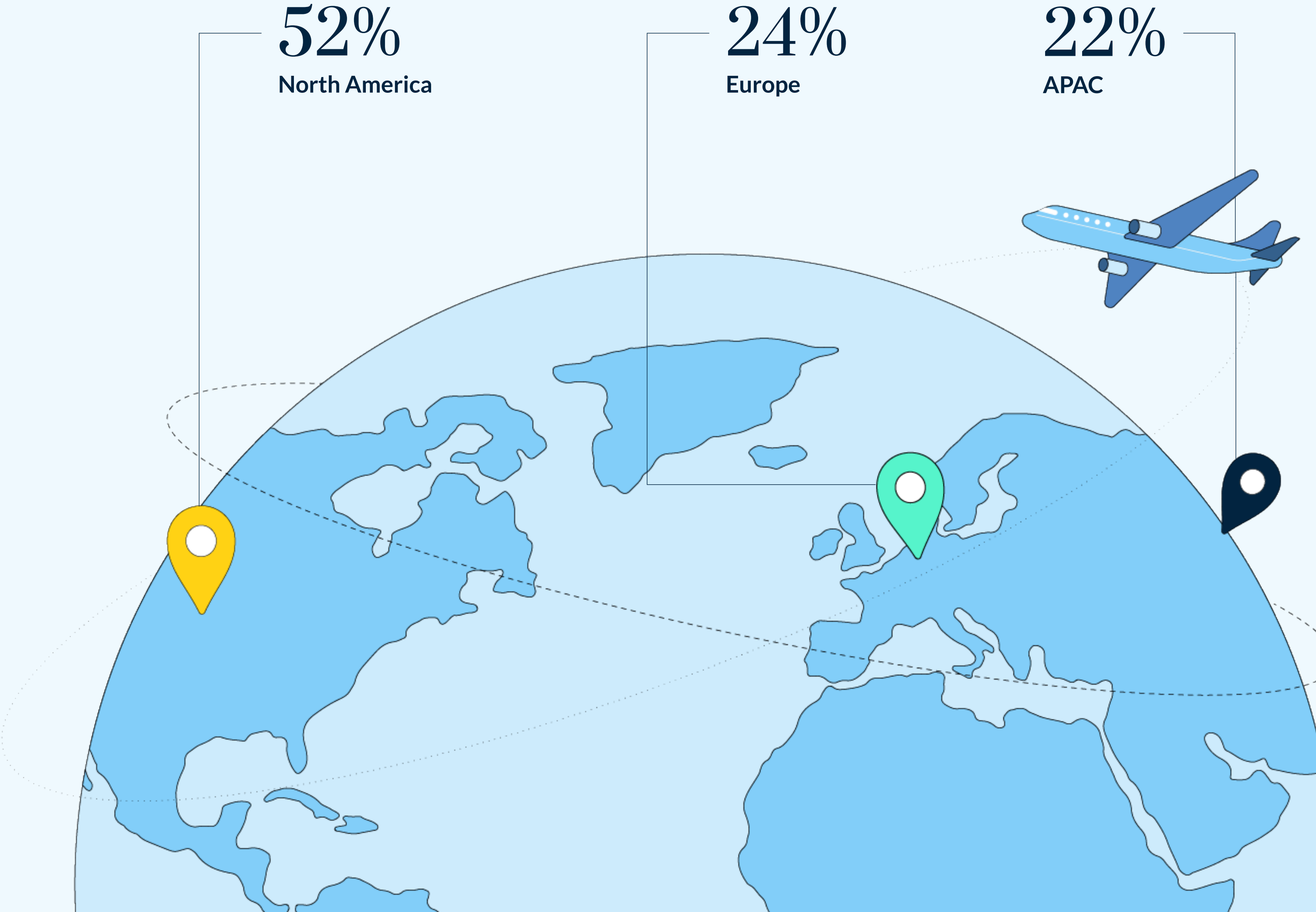


INTRODUCTION

Global Hoteliers Weigh In

We surveyed 327 hospitality professionals worldwide to explore attitudes towards AI and its potential to transform the industry.

RESPONDENTS BY REGION



RESPONDENTS BY ROLE IN IT PURCHASING



33%

Sole decision maker



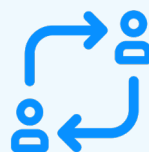
25%

Help reach final decision as part of a committee



24%

Makes final decision with input from staff



17%

Provide input towards final decision

INTRODUCTION

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NAVIGATING AI: EMERGING TRENDS IN HOSPITALITY

01 AI Takes Flight



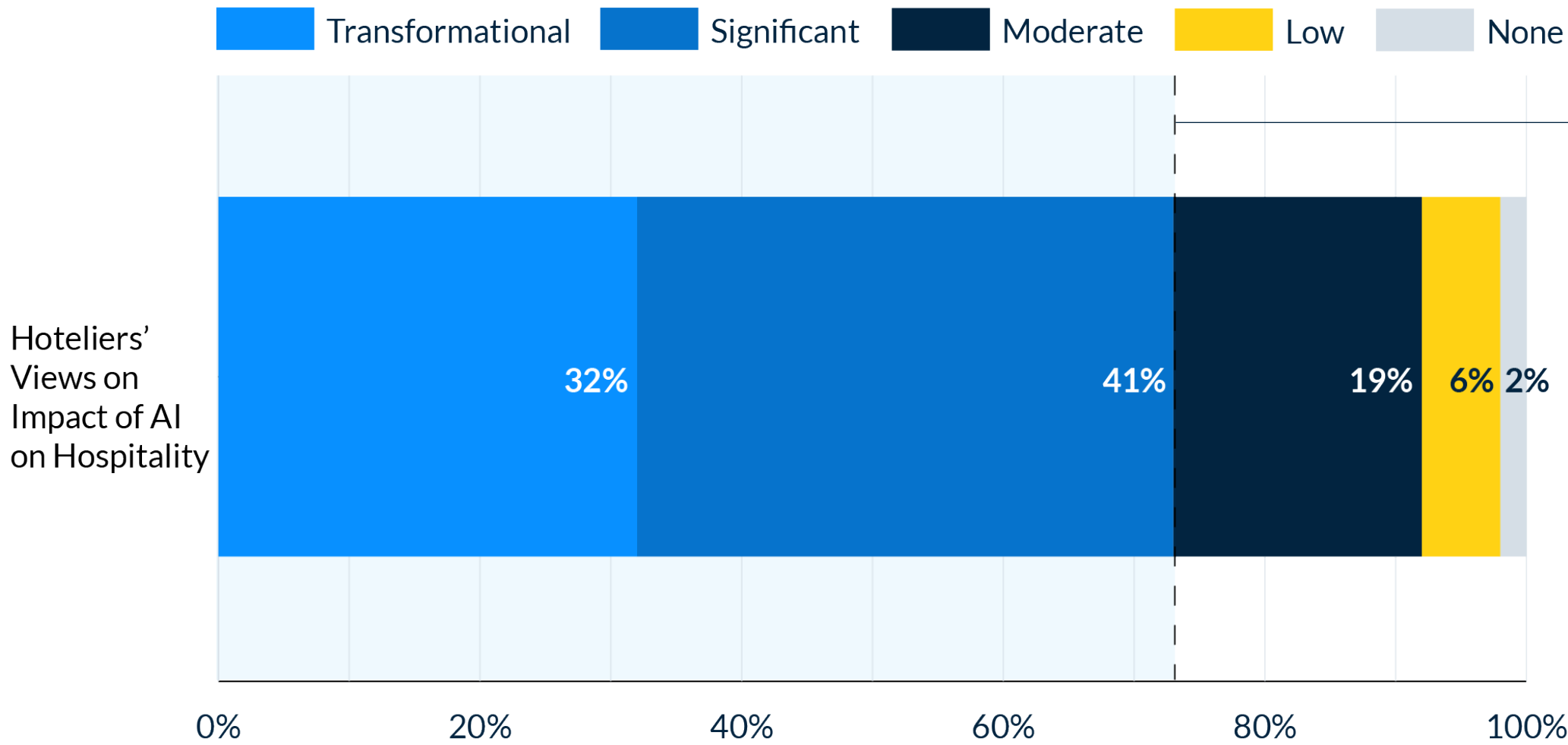
01 AI TAKES FLIGHT

The AI Journey: Entering a New Era

Hospitality is at the dawn of a technological revolution.

As the world adapts to a future with artificial intelligence, hoteliers are beginning to embrace AI's transformative potential. Though the industry is only at the beginning of this journey, 73% of hoteliers agree that AI will have a big impact.

Impact of AI on Hospitality



01 AI TAKES FLIGHT

Navigating AI's Imminent Impact

The magnitude of AI's impact seems clear, but when will it be realized?

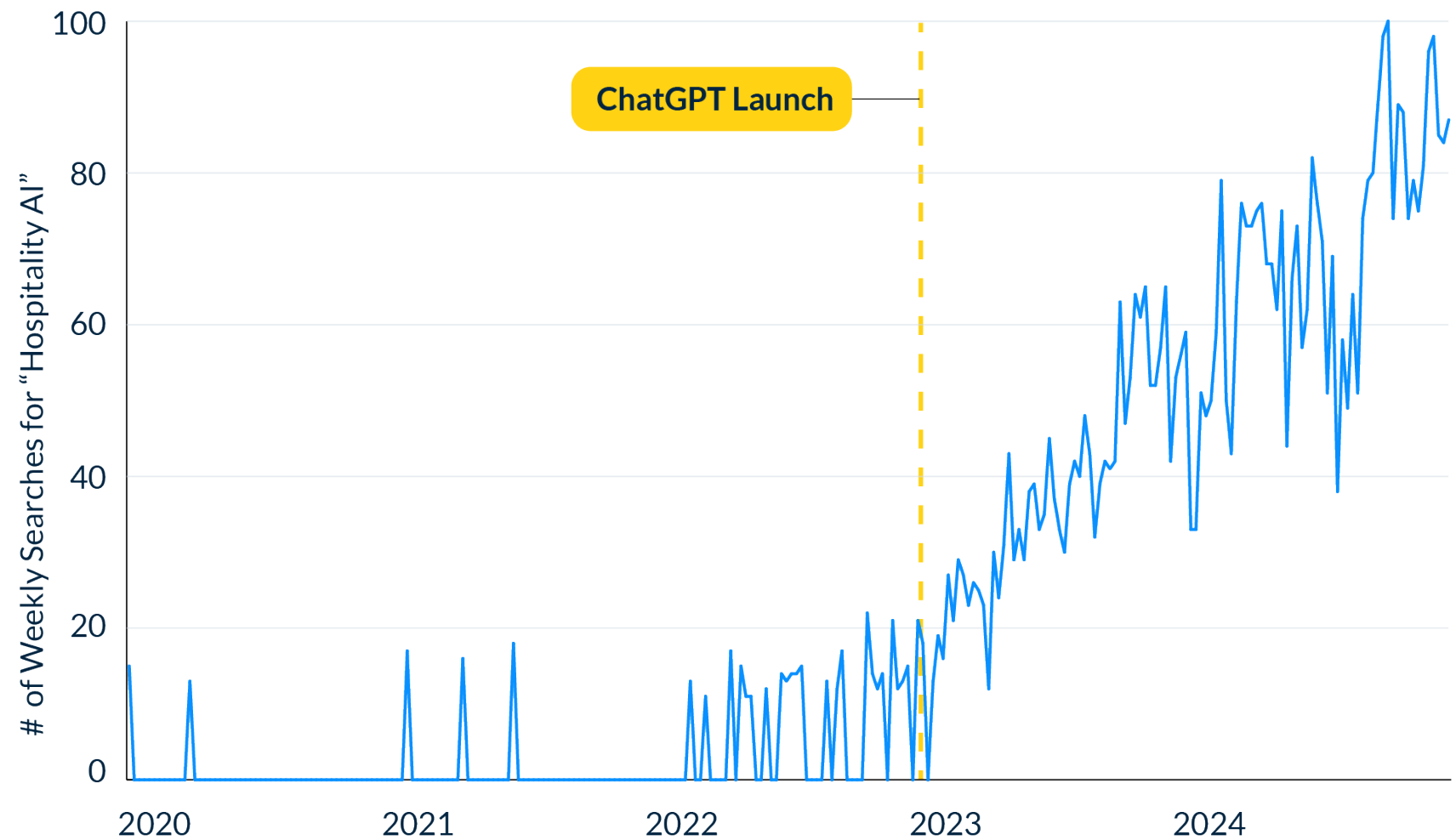
Interest in AI has surged in recent years, as shown by rising search volumes for terms like "hospitality AI." This growing curiosity aligns closely with OpenAI's late 2022 launch of ChatGPT, which brought AI into the mainstream conversation.

For hoteliers, this curiosity is shifting into a sense of urgency. 61% of hoteliers surveyed are either already benefiting from AI or expect to benefit see AI impacting the hospitality industry **already** or **within the next year**.

But not all agree. Nearly 40% of respondents predict it will take longer. This divide begins to reveal a discrepancy between those leading the AI expedition and those at risk of being left behind.

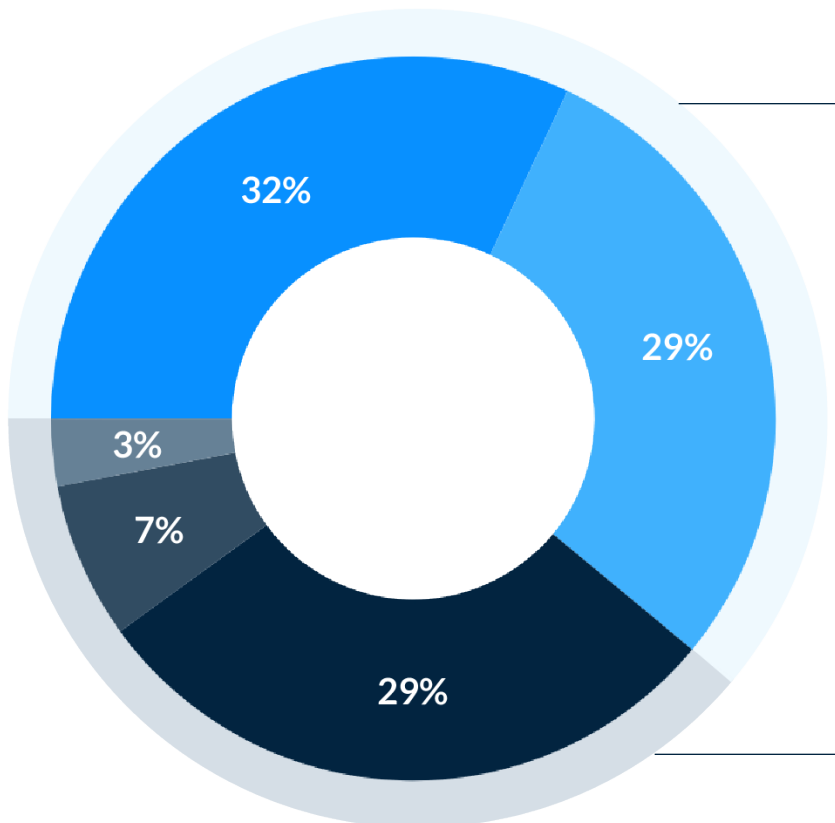
Weekly Search Interest in 'Hospitality AI' During the Last 5 Years

(December 2019 - December 2024)



When AI Will Impact Hospitality

- Now
- 1 Year
- 2-3 Years
- 3-5 Years
- 5+ Years



61% see AI impacting the hospitality industry **now or within a year.**

39% anticipate that AI will impact hospitality in **2 or more years.**

AI's Promise for Hospitality

Understanding AI's potential in hospitality requires a clear view of its unique strengths. These are the capabilities that set it apart from existing technologies.



Intelligent, Automated Guest Responses

AI quickly interprets guest inquiries and delivers accurate, conversational replies – saving staff time and improving service.



Frees Up Front Desk Staff

By handling common questions and requests, AI reduces front desk workloads, letting staff focus on high-value tasks.



Boosts Revenue and Bookings

AI-powered recommendations and upsells drive revenue and bookings by personalizing offers and simplifying the booking process.



Always-On, Multilingual Support

AI responds instantly in any language, ensuring every guest query is addressed, no matter the time of day.

With these opportunities in mind, hoteliers aren't just intrigued by AI's potential—they're taking action.

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02 Tracking IT & AI Budgets



02 TRACKING IT & AI BUDGETS

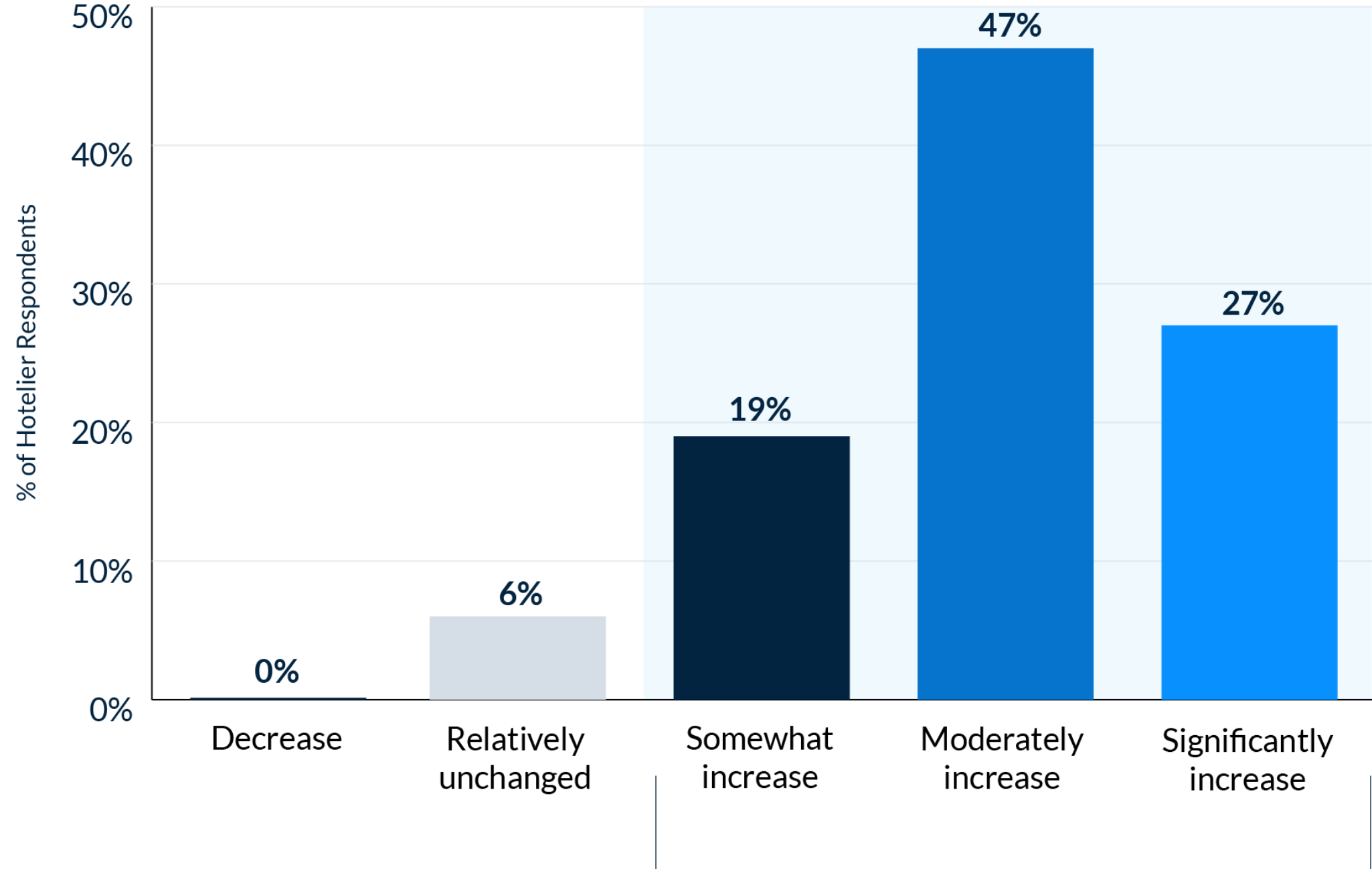
IT Budgets are on the Rise

Across the board, hotel technology spend is growing—and hoteliers anticipate this trend to continue.

Over 90% of hoteliers expect IT spend to increase from what it is today in the coming years. In fact, 27% expect hotel tech budgets to significantly increase from today’s levels.

It begs the question—what priorities are driving the increase?

Anticipated Changes to IT Spend vs. Today



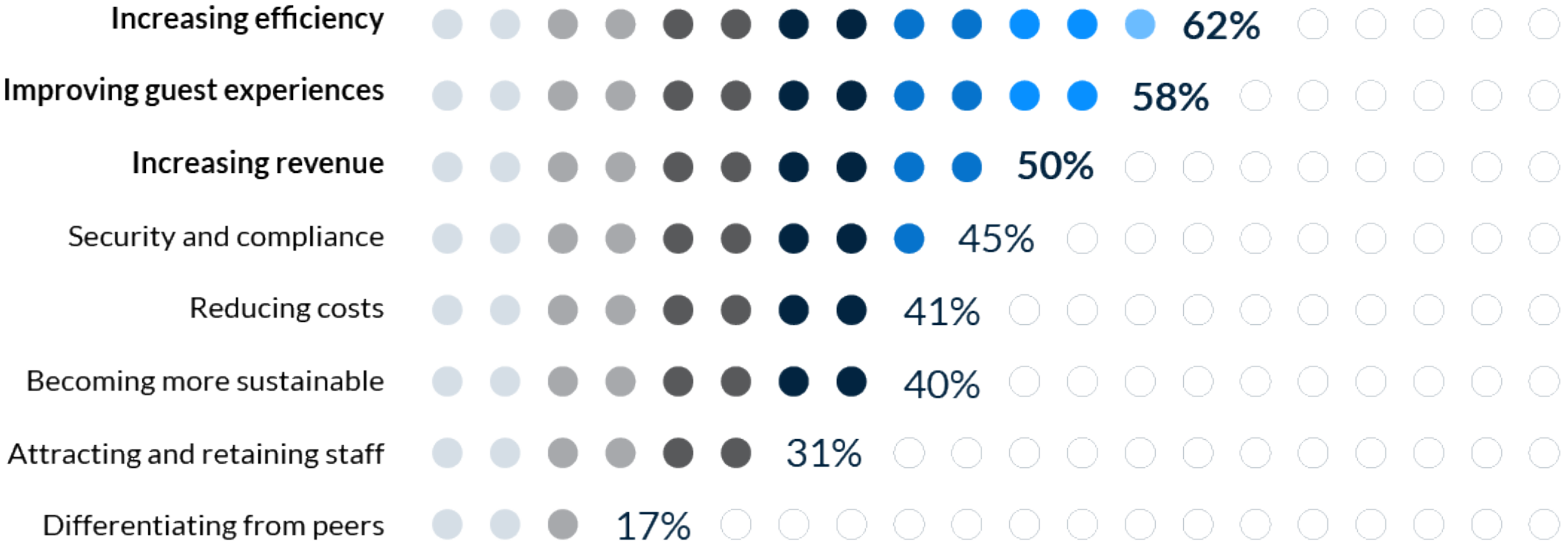
93%
 expect IT spend to increase from what it is today in the coming years.



Mapping Hotel Tech Budget Priorities

Efficiency, guest experience, and revenue are top of mind for hoteliers as they consider IT spend.

Business Objectives



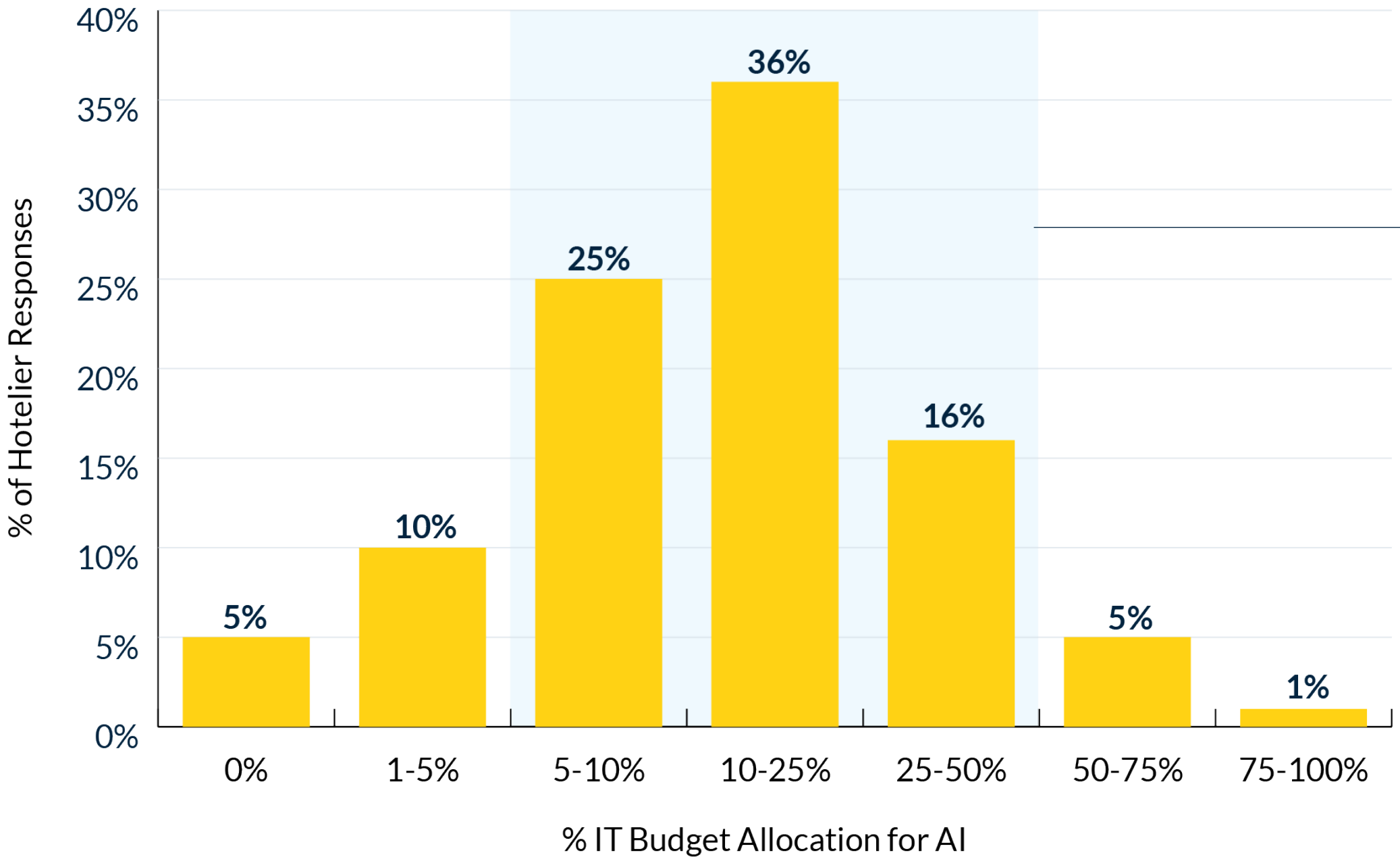
50%+ identify efficiency, guest experience and revenue areas as their top tech investment goals.

It's no surprise that efficiency tops the list, as hoteliers around the world have struggled with staffing shortages. This explains the rising enthusiasm for AI tools, which help hoteliers achieve greater efficiency, improve guest experiences and drive more revenue.

Paving the Road Ahead with AI Investments

Survey respondents are backing their confidence in AI with meaningful budget allocation.

IT Budget Allocation for AI



77%
 plan to set aside 5-50% of their IT budget for AI tools in the coming year.

Across businesses and property sizes, one thing is clear: **hoteliers are committed to investing in AI.** Most hoteliers plan to budget for AI tools, with only 5% reporting no investment. This marks a transformative moment for the hospitality industry.

In fact, 77% of hoteliers plan to allocate between 5% and 50% of their IT budgets to AI tools in the coming year.



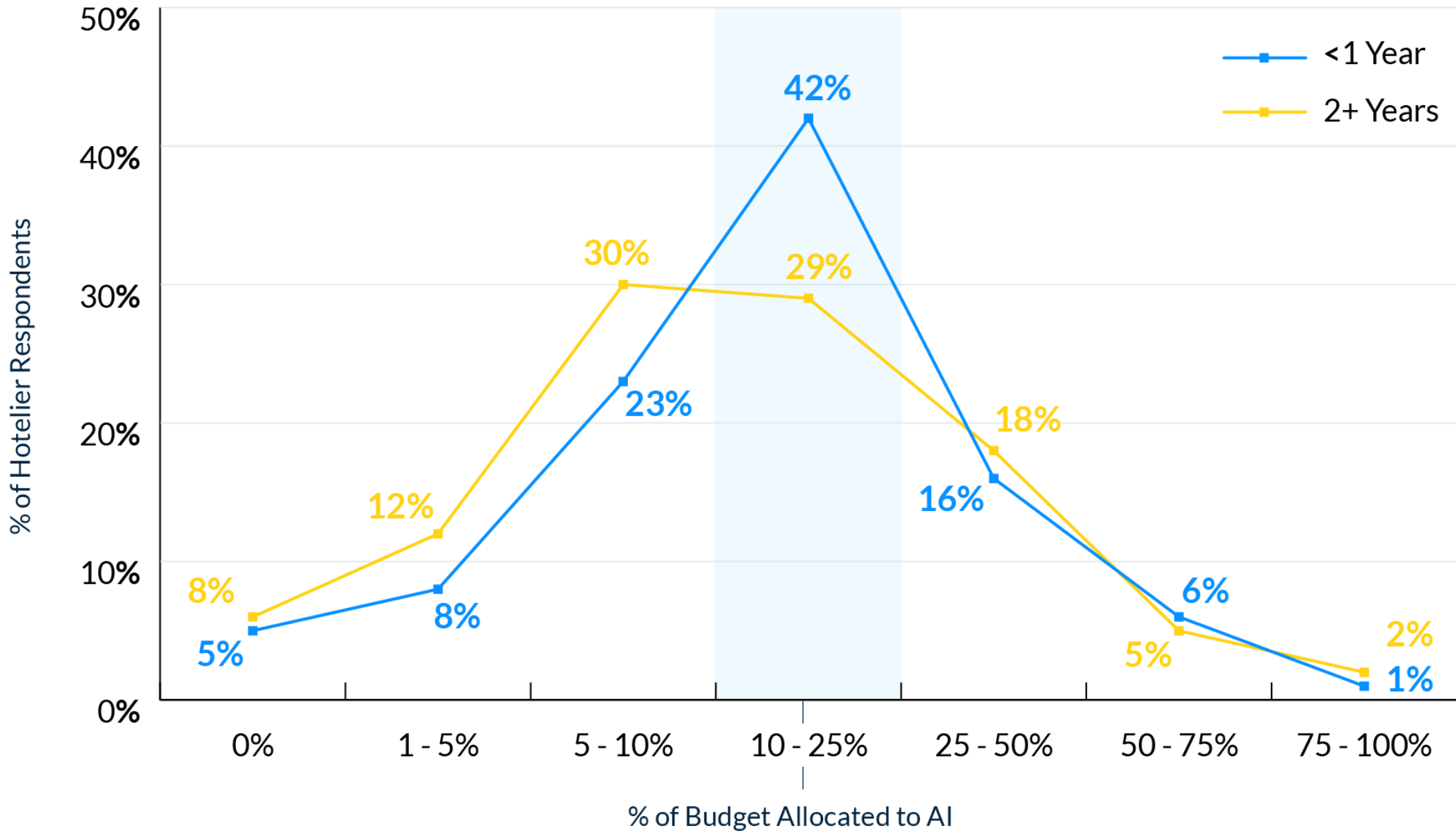
AI Budgets Climb

Hoteliers who expect AI to shake up the industry are also the ones planning to invest more substantially in it.

Among those who see AI as transformative, 41% plan to dedicate 10-25% of their budget to AI. In contrast, those who see little to no impact from AI in hospitality are spending far less (or nothing at all).

Timing also affects budgets. Those expecting AI’s impact to be felt soon are investing more now. Of those who see AI’s influence now or anticipate it within a year, 42% allocate 10-25% of their IT budget to AI. Meanwhile, those who expect AI to take two or more years tend to spend less.

AI Budget Allocation by Impact Timing



42% of hoteliers who see AI’s influence now or anticipate it within a year plan to allocate 10-25% of their IT budget to AI.

02 TRACKING IT & AI BUDGETS

The hospitality industry is at a pivotal moment, driven by AI's transformative potential. Many hoteliers anticipate its impact, see its influence and are investing in AI tools to stay ahead.

But as with any journey, not everyone moves at the same pace. While some forge ahead, others risk falling behind as the ground shifts beneath them. Let's explore how certain segments in hospitality are preparing to navigate this moment of change.

“The future is already here – it's just not evenly distributed.”

William Gibson

American Author



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03 AI Adoption: Who's Leading the Charge?



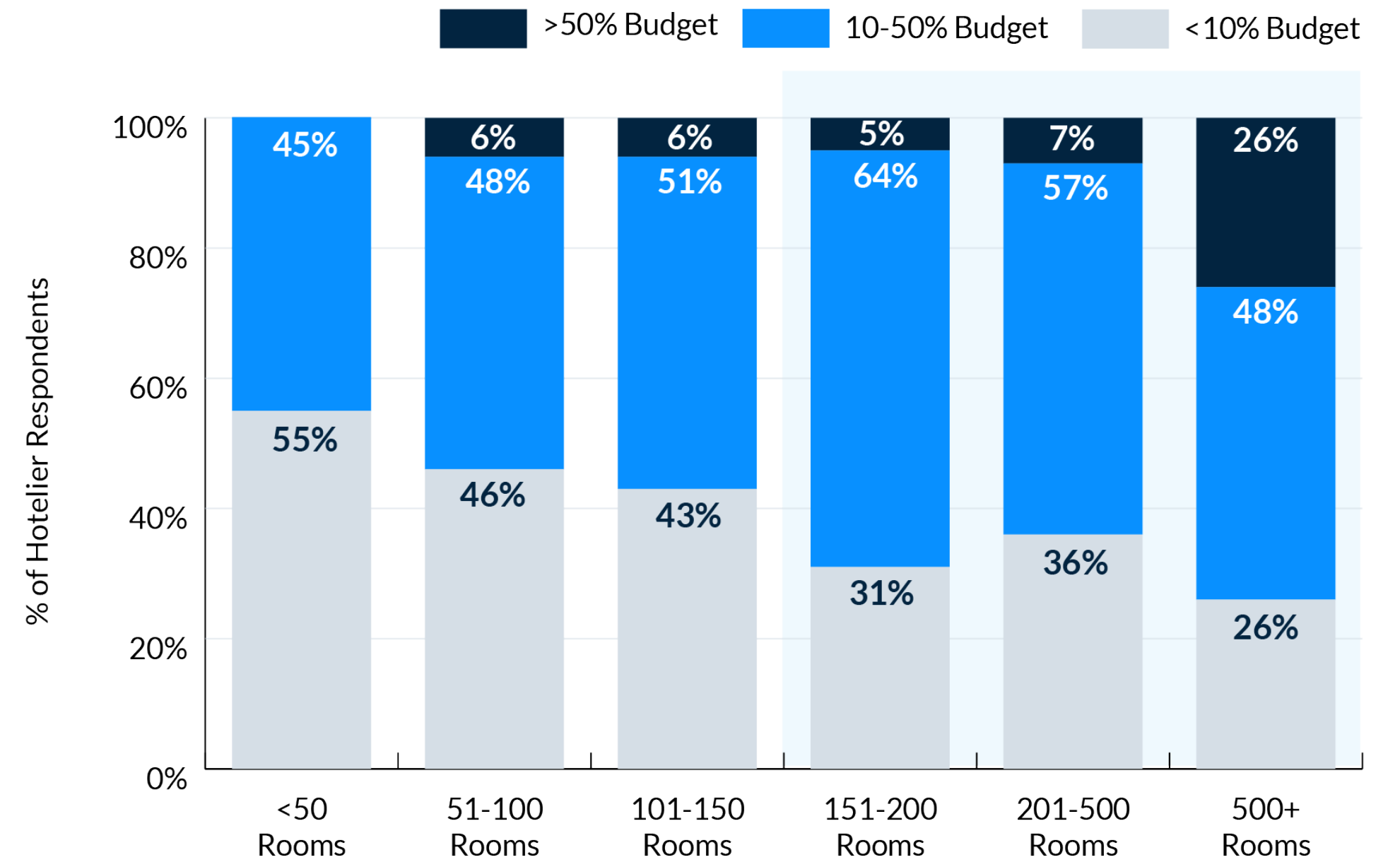
AI Allocation Increases with Size of Property

AI budget allocation tends to rise alongside the size of property. At least two-thirds of hotels with 150 rooms or more are setting aside 10% or more of their IT budget to AI tools. 26% of properties with more than 500 rooms are allocating over half of their IT budget to AI-enabled solutions.

THE TAKEAWAY

With many rooms to manage, AI can help hotels streamline workflows. AI can engage with guests directly and provide key information about the hotel. Guests can make requests or ask questions as if communicating with a staff member and get personalized answers and local recommendations automatically. This reduces calls, emails and messages to the front desk, which frees up staff to focus on meaningful, in-person interactions.

AI Budget Allocation by Size of Property



>2/3 of hotels with 150 rooms or more are setting aside 10% or more of their IT budget to AI tools.

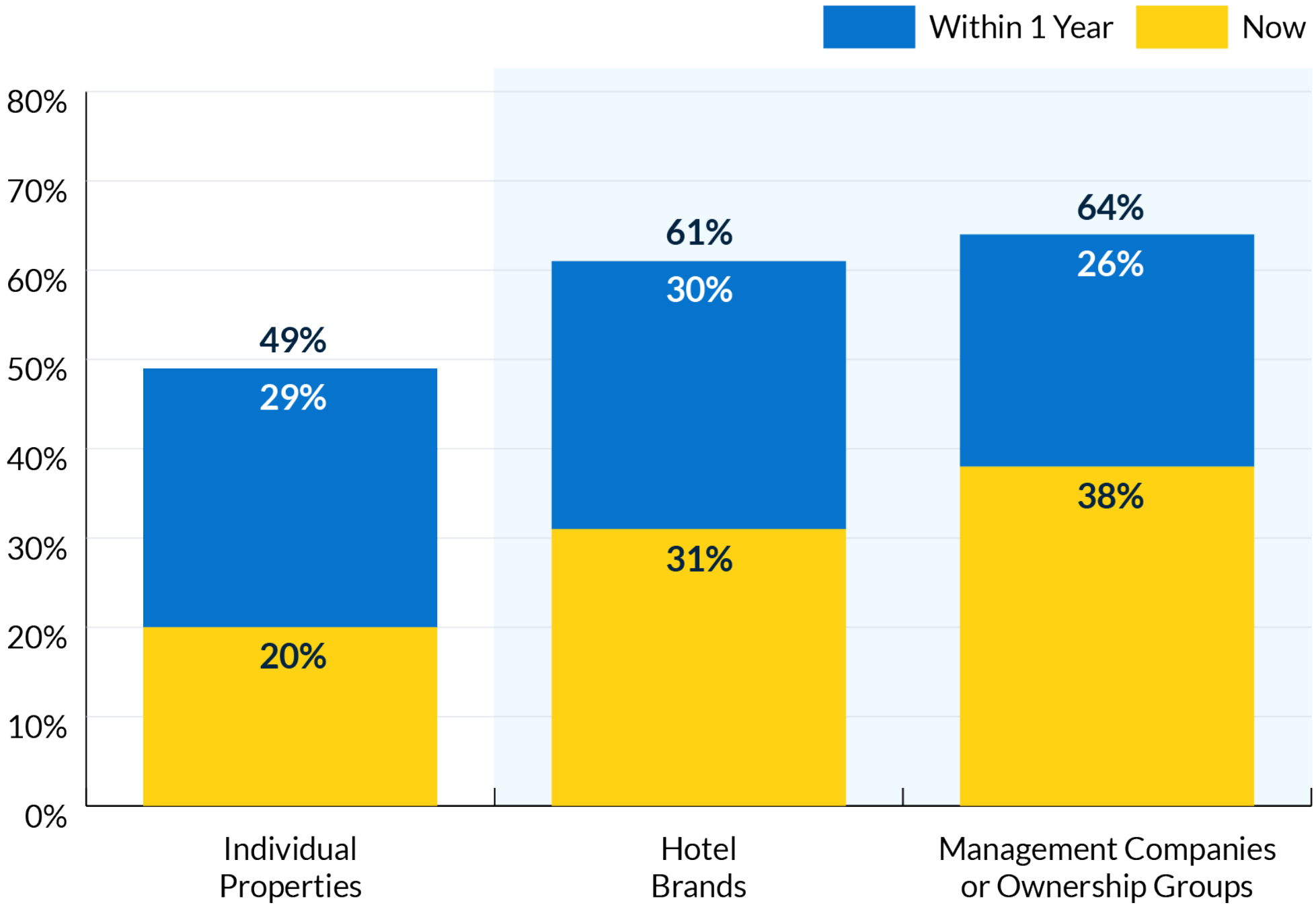
Hotel Brands and Groups See AI Impact Now

All types of hospitality organizations recognize AI's impact, but hotel brands, management companies and ownership groups lead the way in anticipating impact on the industry sooner. In fact, 60%+ of these respondents believe AI is already making an impact or will within the next year.

THE TAKEAWAY

While all hotels stand to benefit from AI, brands, management companies and ownership groups have a unique advantage in understanding the impact and potential use cases of AI, thanks to their scale. By implementing AI solutions portfolio-wide, they can unlock greater efficiency, enhanced guest experiences and increased revenue. These benefits magnify when AI streamlines operations, unifies data across properties and optimizes performance at scale.

AI Impact Timing by Property Type: Now or Within a Year



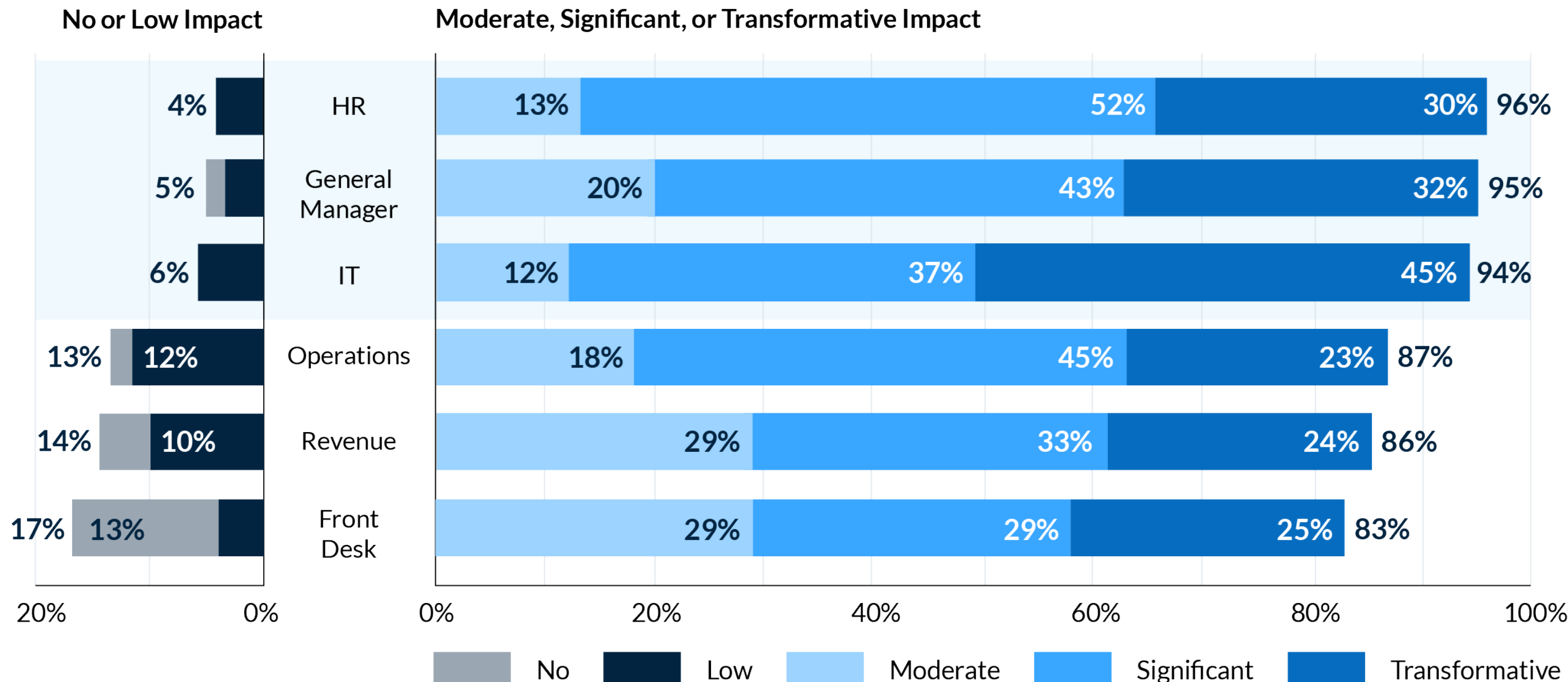
60%+ of hotel brands, management companies and ownership group respondents believe AI already impacts hospitality or will within the next year.



AI Optimism Spans Every Corner of Hospitality

From the front desk to the back office, hospitality professionals overwhelmingly agree—AI is set to transform the industry.

AI Impact on Hospitality by Function



HR, General Managers and IT professionals are the most optimistic about AI’s impact, with 94% or more believing AI will have a significant, transformative or moderate impact on the industry.

THE TAKEAWAY

HR, General Managers, and IT lead the pack in their view that AI will make a big impact on hospitality. Are we surprised IT is leading the way? Not necessarily. But it is interesting to see General Managers and HR right alongside their IT colleagues. These functions know the challenges of an under-staffed front desk and balancing budgets. It’s clear they’re eager for ways to do more with less and open to new technology to help. We can salute that!



Luxury Class Leads in AI Timing & Budget

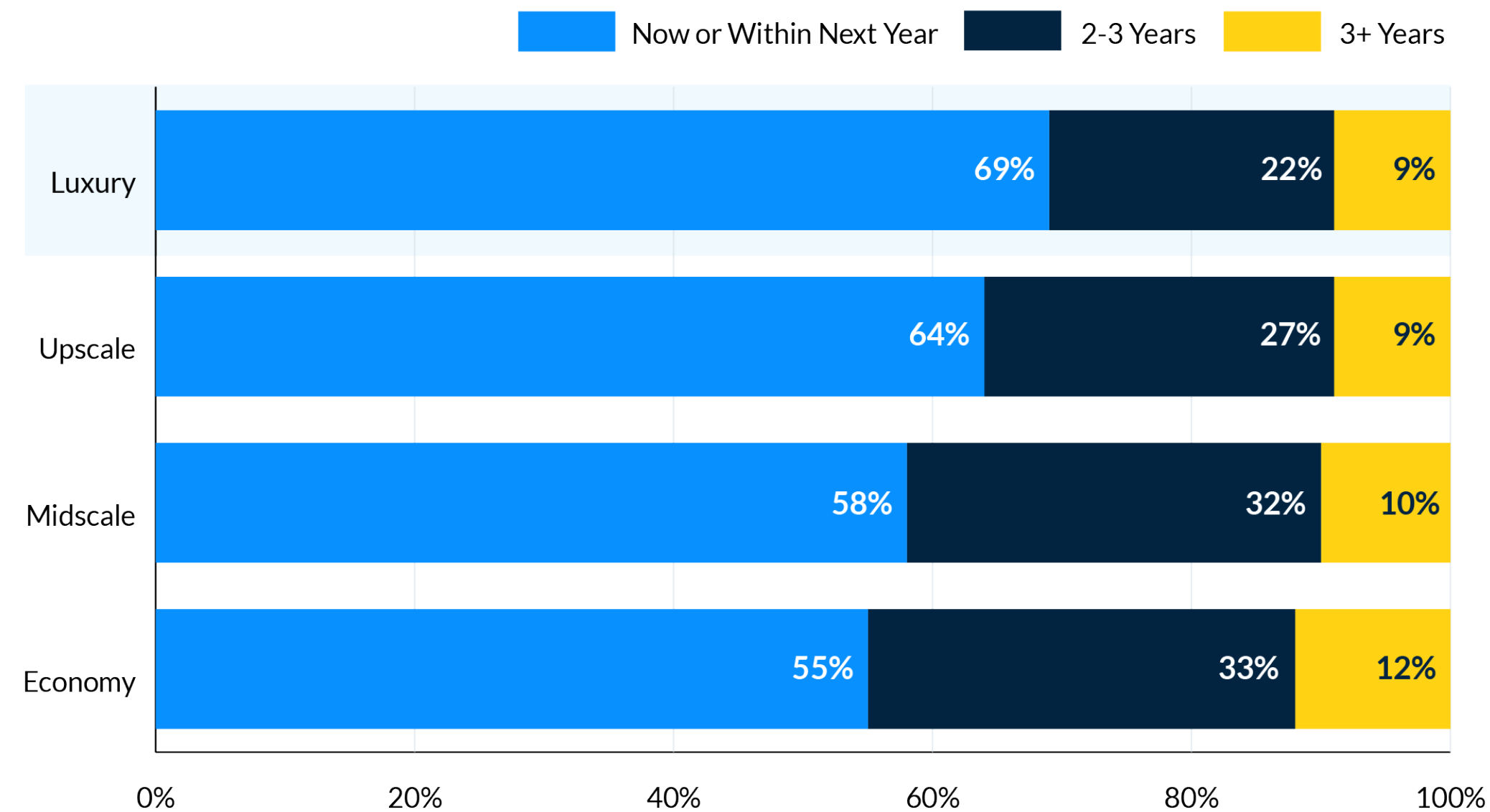
Enthusiasm for AI cuts across all hotel segments, yet nearly 70% of respondents at luxury hotels expect AI to impact the industry now or within a year.

Luxury hotels are also putting more of their budgets behind AI, with 67% investing over 10% of their budget on AI applications.

THE TAKEAWAY

Some may think that AI may take away from the high-touch, white-glove experience luxury hotels are often known for. But, by leveraging AI, hotels can create intelligent automation to streamline operations and also deliver hyper-personalized experiences and offers for their guests. A win-win.

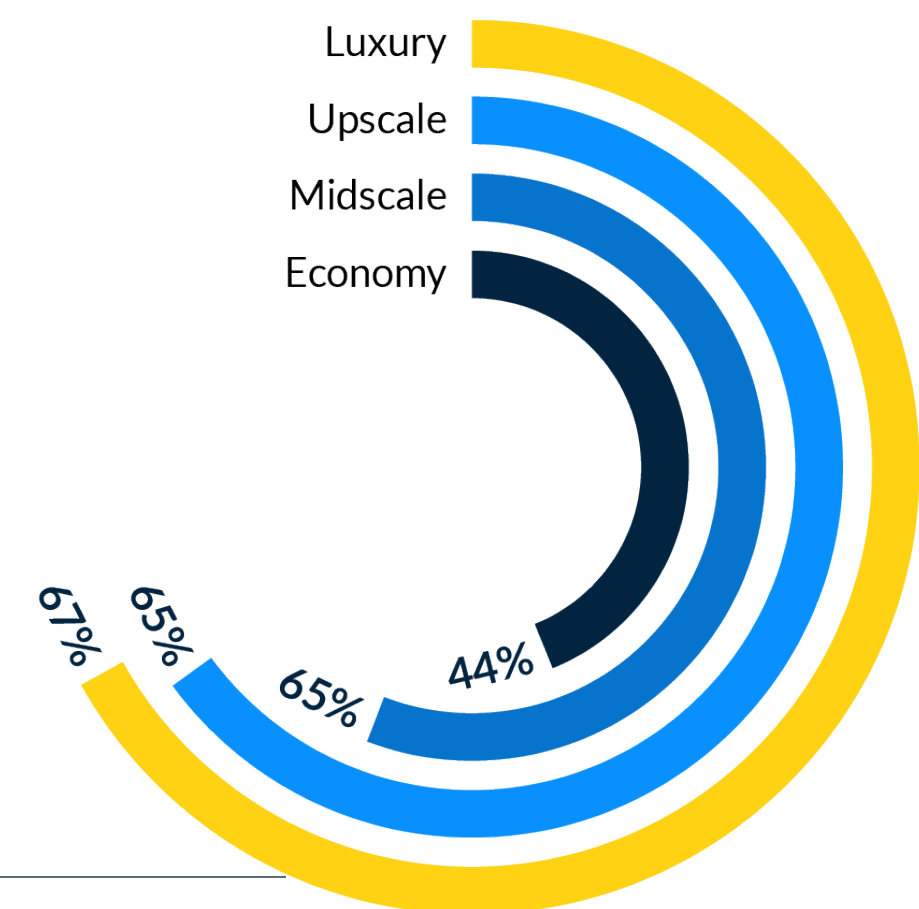
AI Impact Timing by Hotel Class



AI Allocation of IT Budget by Hotel Class

>10% Budget Allocation

67% of luxury hotels are investing over 10% of their budgets on AI applications.

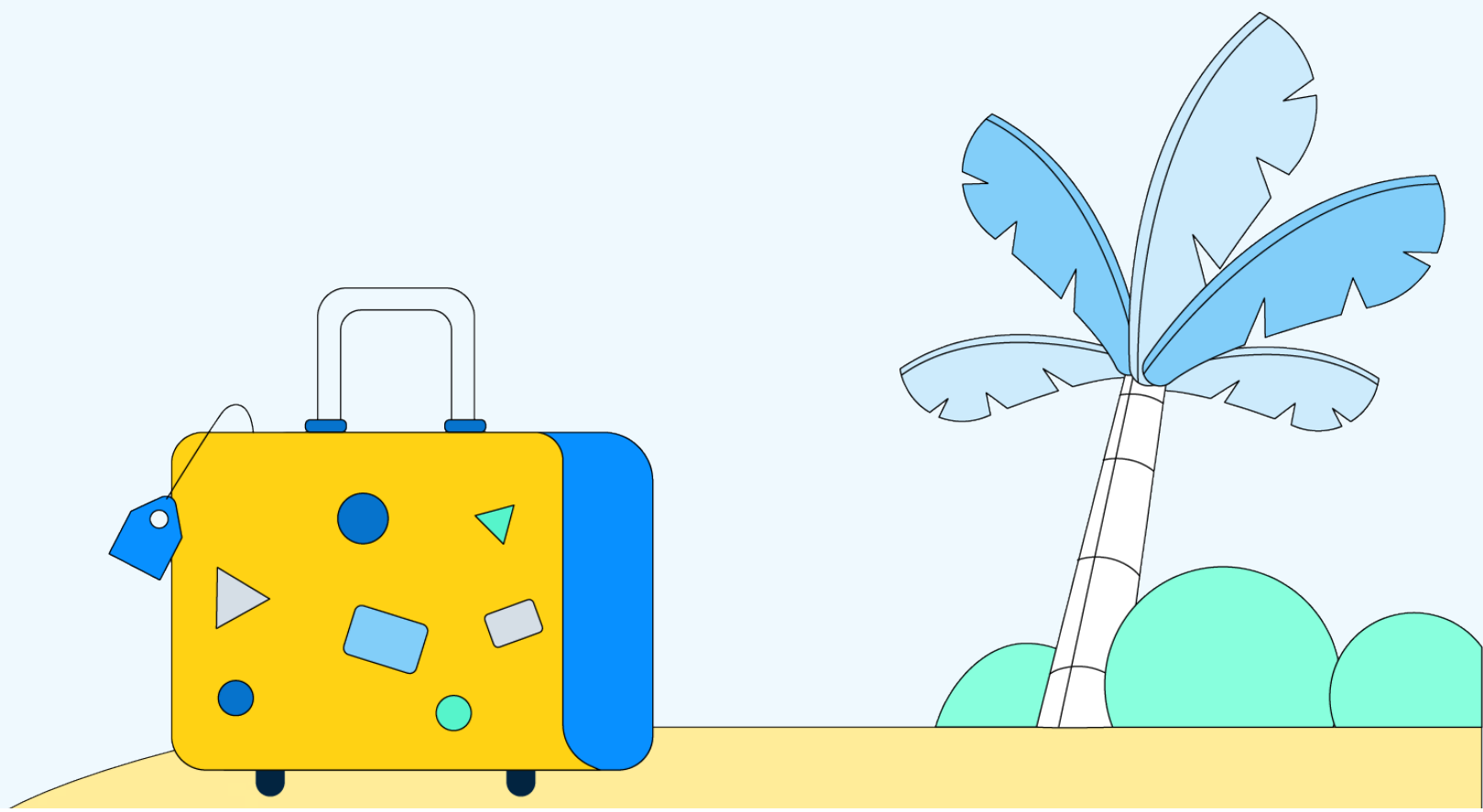


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04 AI in Action: Hospitality Use Cases



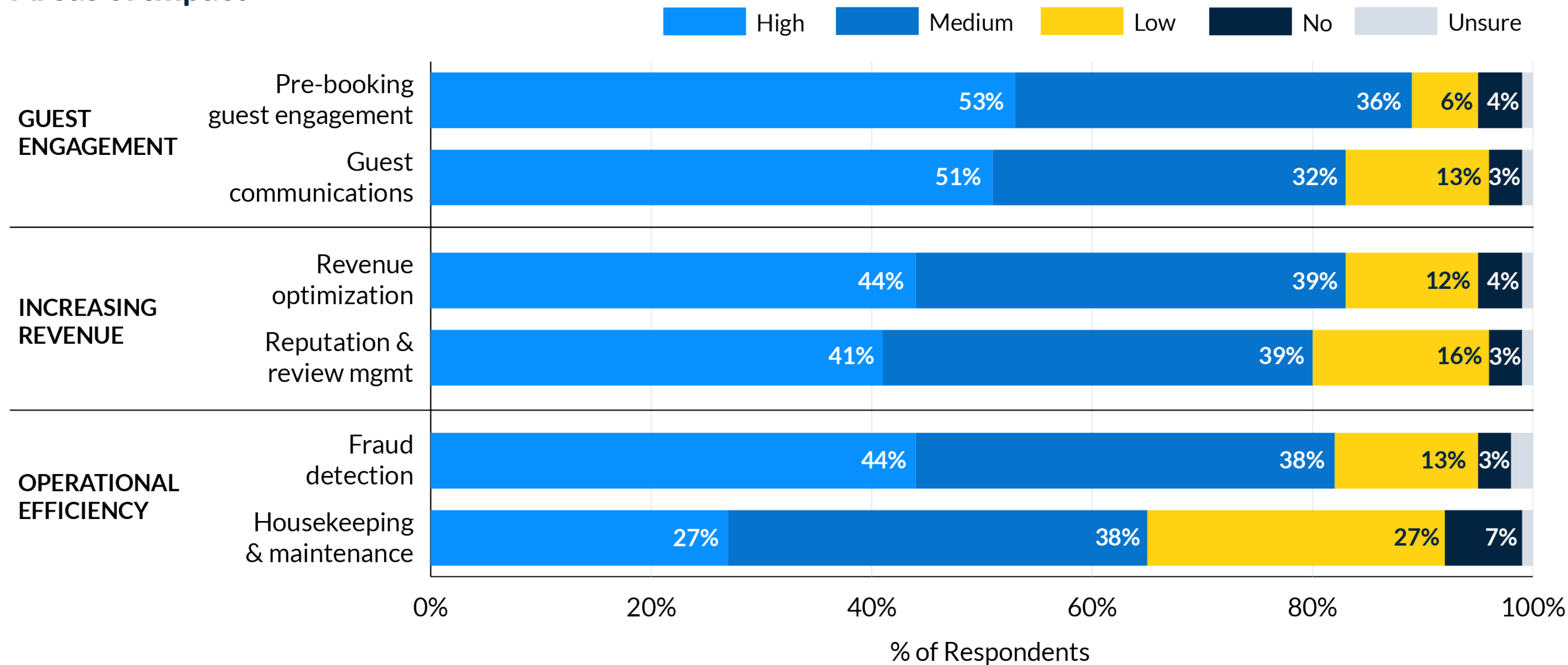
Where AI is Impacting Hospitality



AI is set to redefine hospitality in key areas, with guest engagement standing out as one of its most powerful applications.

Over 80% of respondents believe AI will significantly reshape pre-booking interactions and guest communications, setting the stage for more personalized, seamless connections with travelers.

Areas of Impact



Guest Engagement: AI's Impact

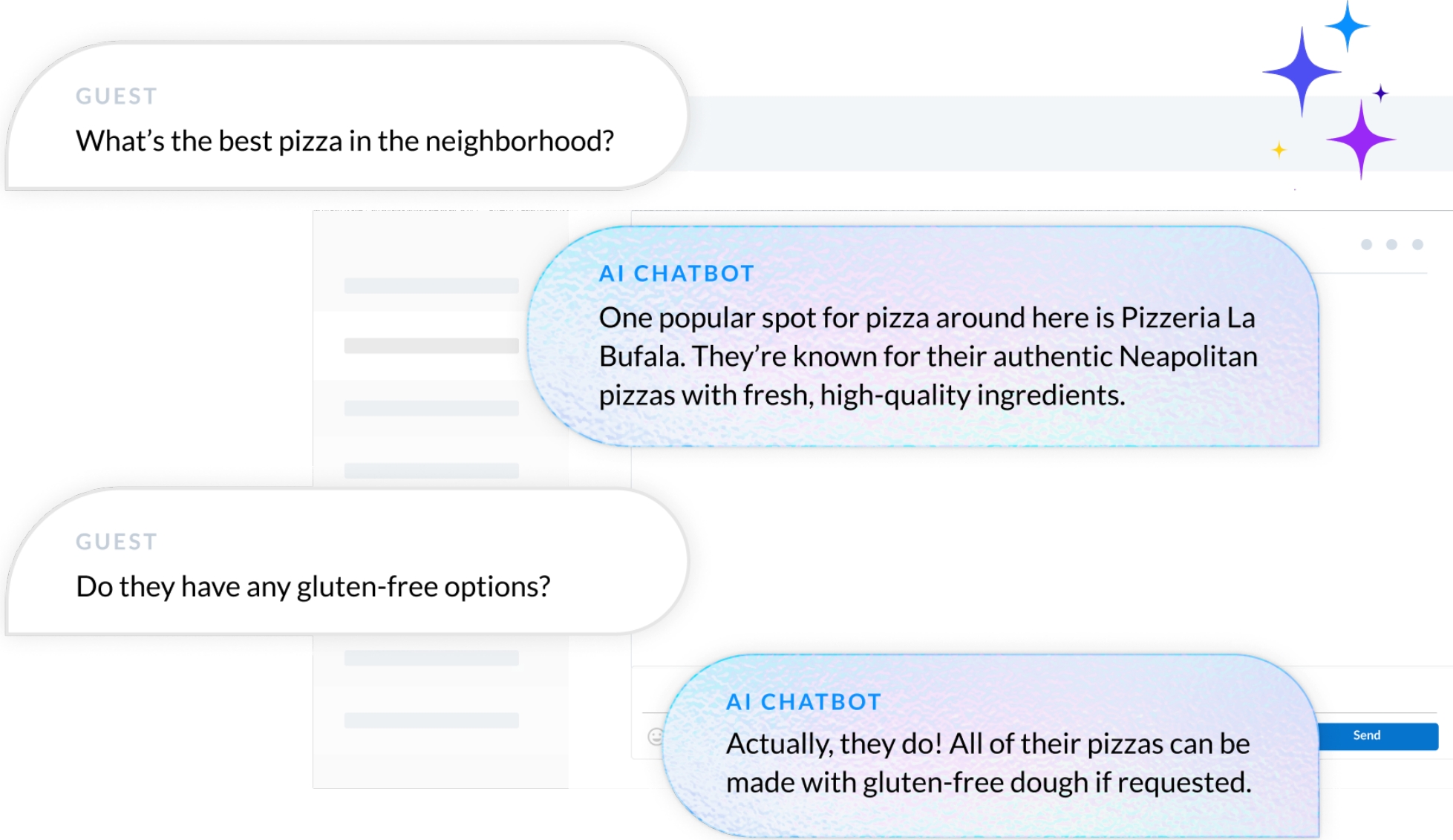
Guests seek information at every stage of their journey—via website, phone, email or in person. While many questions like “Do you have a restaurant?” or “What time is checkout?” are fairly straightforward, managing these inquiries can quickly consume staff time.

AI can change the guest engagement game for forward-thinking hoteliers. It can automate personalized responses that are specific to individual guests’ context while maintaining consistency, continuity and speed. Even more, AI can instantly translate messages between languages so guests can interact with the hotel in their native tongue.

EXAMPLE: AI FOR GUEST MESSAGING

AI can help hotels manage guest communications more effectively. For example, before booking, a guest messages your website chatbot asking about onsite dining options. An AI-powered hotel chatbot can quickly and accurately answer questions without the need to involve staff.

When that traveler arrives, they may message the front desk asking what time the restaurant closes in the evening. AI Guest Messaging can similarly answer guest questions and requests automatically allowing staff to focus on in-person hospitality.



Leading Hotel Brands Are Using AI for Guest Engagement

Top brands like Wyndham and Best Western have implemented AI to improve guest experiences and streamline operations.



Wyndham Hotels & Resorts

Across the Wyndham portfolio, hoteliers rely on Wyndham Connect, powered by Canary AI, the guest engagement platform that enhances the guest experience while streamlining owner operations. With Wyndham Connect, hotels automatically engage guests with personalized responses and upsell offers.



Best Western Hotel & Resorts

Best Western's Guest Management System, also powered by Canary AI, leverages the most substantial hospitality-specific AI model in the industry. Hoteliers manage guest engagement across multiple touchpoints with automation and personalization, improving experiences, increasing revenue and simplifying staff operations.

Canary AI in Action

 1000s

of hotels use Canary AI across the globe

 80%

of guest inquiries are automatically managed by AI

 4x

increase in upsells revenue with AI-powered, personalized offers

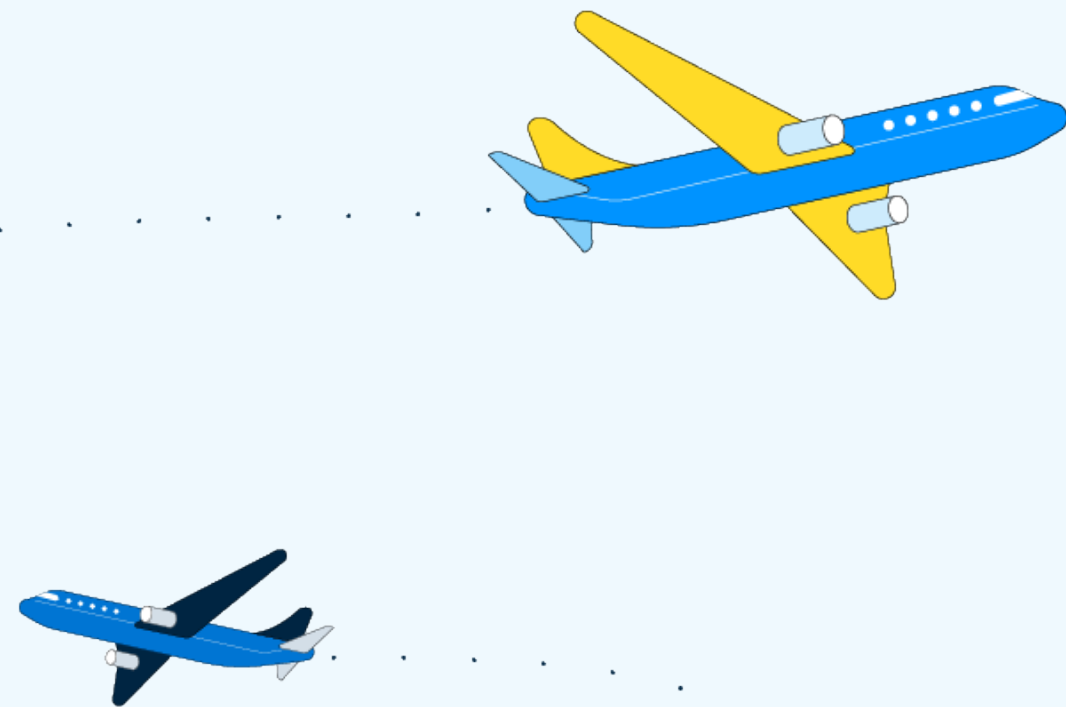
Ready to learn more about Canary AI?

[Book A Demo →](#)



Increasing Revenue: New AI Pathways

From pre-booking to post-stay, AI is revolutionizing how hotels drive revenue—both through direct and indirect influences.



Indirect Revenue Influences



Proactive Reputation Management

Positive reviews and higher rankings lead to better bookings and increased room rates. AI applications can monitor guest sentiment throughout the guest journey in real time, address concerns immediately and encourage satisfied guests to leave reviews.



Loyalty and Referrals

Hotels can use AI to increase guest loyalty by personalizing key moments in their stay. AI combines information from different interactions to create highly personalized services.

EXAMPLE: AI-POWERED GUEST SERVICE

An AI guest messaging solution, like Canary AI Guest Messaging, checks in mid-stay with a friendly message: “Hi Jill, hope you’re enjoying your upgraded Seaview room! Let me know if there’s anything you need.”

When Jill reports a noisy air conditioner, the system automatically creates a service ticket, resolving the issue quickly. Instead of a complaint, Jill leaves a 5-star review.

Direct Revenue Lift



Pricing Optimization

AI tools are enabling smarter dynamic pricing that quickly adapts to demand and real time conditions. For example, AI-powered Revenue Management Systems (RMS) can analyze market trends, competitor rates and booking patterns in real time, maximizing revenue.



Direct Bookings

Guests often have questions before making a reservation. AI-powered chatbots can answer instantly from your hotel website, reducing your team’s workload. By improving the pre-booking experience, these chatbots help boost direct bookings.

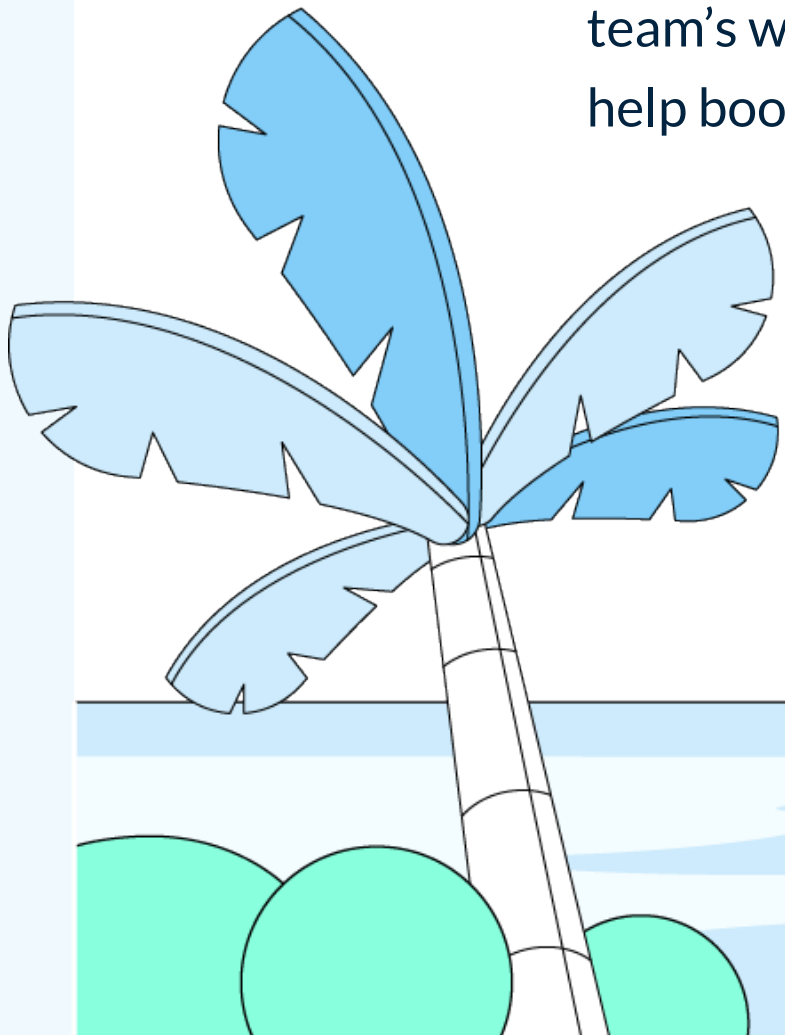
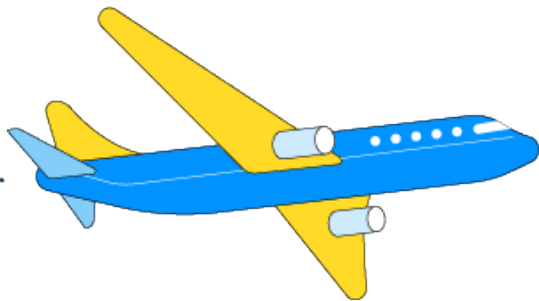


Automated Offers

AI tools personalize guest offers based on behavior, delivering the right promotion at the right time. Hotels can offer upsells like early check-ins, dining, or spa services based on guest requests, boosting revenue.

EXAMPLE: AI-POWERED UPSELLS

If a guest sends a text to the hotel to ask, “What time is check-in?” AI can immediately respond with the check-in time and offer an early check-in for an additional fee. Guests can purchase this offer conveniently from their phones, increasing conversion and revenue.



Operational Efficiency: The AI Boost

AI is transforming hotel operations, improving both front-of-house guest services and behind-the-scenes processes.



Front-End Operations

This is the “flashy” side of automation that guests interact with directly. AI handles tasks like real-time translations, automated ticket creation from guest messages and quick, accurate responses, freeing up your team’s bandwidth.

EXAMPLE: AI & LANGUAGE TRANSLATION

A guest texts the front desk in their native language asking about local dining options. The AI responds instantly in the guests’ language with information on restaurants nearby.

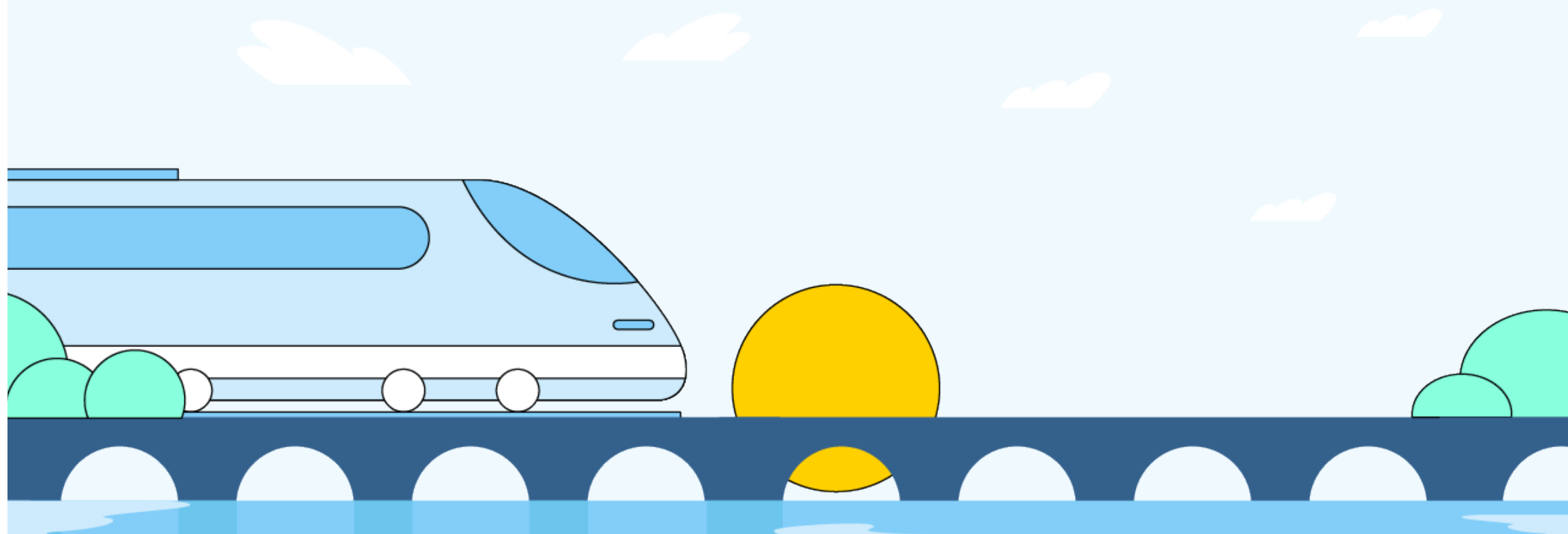


Back-End Operations

Behind the scenes, AI optimizes processes that keep your hotel running smoothly. From advanced housekeeping scheduling to fraud detection, these tools reduce manual workloads, save costs and boost efficiency.

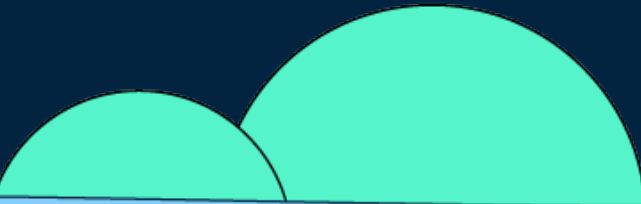
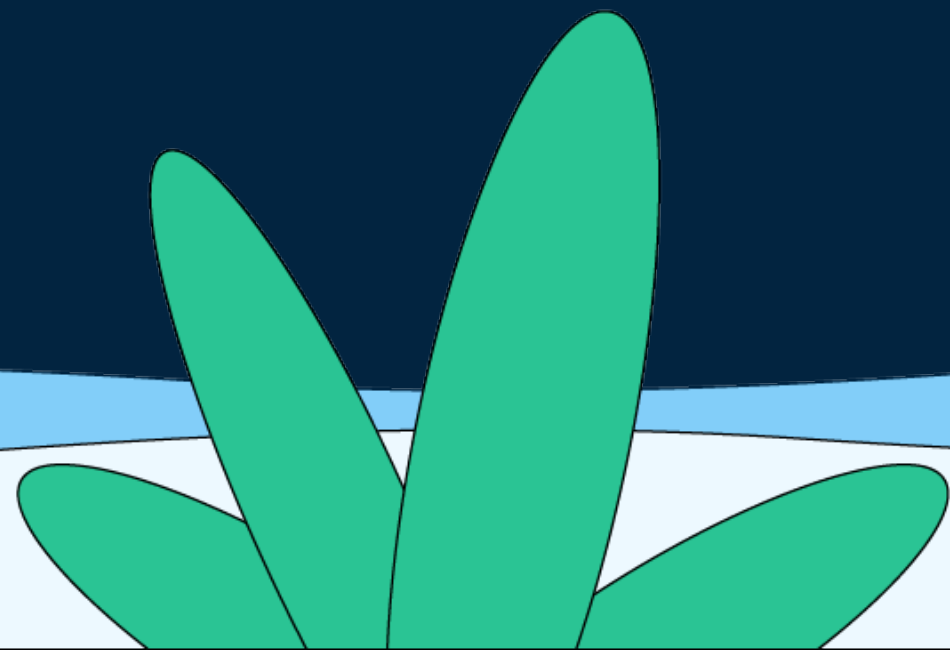
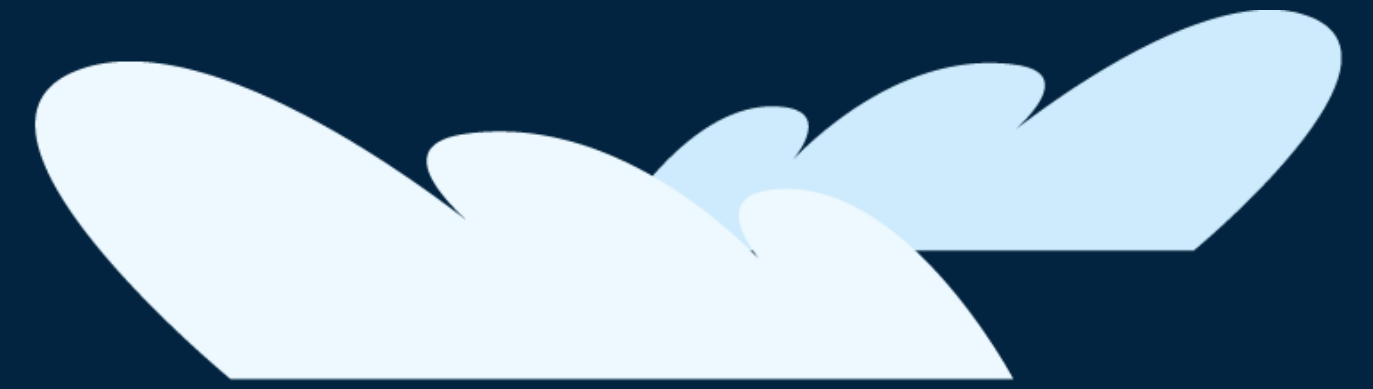
EXAMPLE: AI & WORKFLOW OPTIMIZATION

During a busy weekend with several early check-in requests, AI dynamically reallocates housekeeping staff to prioritize cleaning specific rooms first, ensuring they’re ready for the next guest on time.



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05 Charting Your AI Strategy



Blazing Your AI Trail: 3 Key Considerations

When charting your hotel's AI path, consider several factors to align AI with your business goals.

1

Ease of Implementation

IT Overhaul vs. Quick Start

Large-scale AI implementations offer end-to-end AI integration across your tech stack, but often requires lengthy, costly overhauls of legacy systems. AI tools with quick implementation deliver immediate impact, providing an opportunity to quickly assess value and lay the groundwork for future growth.

2

Industry Focus

Horizontal vs. Vertical AI Platforms

Horizontal AI platforms are versatile, serving multiple industries but requiring significant customization to fit the hospitality context. Vertical platforms, designed specifically for hospitality, offer fast deployment and industry-specific features built with your business and your guests in mind.

3

Breadth of Solutions

Fragmented vs. Unified AI Models

A fragmented AI approach employs individual, separate AI models for each application, making it possible to test solutions individually, but limiting data sharing and enhancements. Unified AI models rely on one underlying AI model to power multiple applications, leading to consistency in outputs and a holistic view of operational impact. This enables deeper insights, better personalization, improved operational efficiency and a cohesive brand experience for guests.

Navigate Your AI Journey with Canary

AI doesn't have to be complicated. With Canary Technologies, you get practical, hospitality-focused AI solutions that are easy to implement and deliver results fast.

Whether you're just starting out or scaling AI across your operations, Canary helps you modernize guest engagement with customized solutions to fit your needs.



Why Hoteliers Trust Us



Powering 20,000+ Hotels Worldwide

Trusted by Marriott, Best Western, IHG, TUI, Wyndham, Choice, Hyatt, and more.



Built for Hospitality

AI designed to enhance guest experiences and reduce staff workload.



Proven Results

Boost revenue, streamline operations, and improve satisfaction with award-winning technology.



Fast, Easy Implementation

Start automating guest engagement immediately—no complex setup required.



All-in-One Platform

Customized guest experience platform to fit your needs – Canary AI, Secure Transactions, Mobile Check-in, Smart Checkout, Guest Messaging, Dynamic Upsells, Digital Tipping, and much more.



Global Reach

Supports 100+ languages and automates responses to 80%+ of guest requests.



AI That Works for Hotels—From Day One

Learn more about how Canary AI supercharges operations, delights guests and drives new revenue.

Get in Touch →

SURVEY DEMOGRAPHICS

About the Study

This survey, conducted in Q3 2024, collected insights from 327 individuals responsible for IT purchasing decisions in the hospitality industry. Respondents were sourced through Prodege LLC. Designed to educate and guide hoteliers on AI’s role in the industry, it offers strategic insights but is not intended for legal or regulatory decisions.

Note: Survey demographics data may not total to 100% due to rounding.

Disclaimer: This report is for informational purposes only. Neither it nor Canary Technologies Corp. provides legal advice. Do not rely on this report or the accuracy, completeness, or reliability of any information, text, graphics, links, or other items contained within it for advice regarding how to address your legal or regulatory obligations. It is recommended that you consult with your legal counsel and governance, risk, and compliance subject matter expert for such advice.

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Function

| | |
|-----------------------|-----|
| General Manager | 41% |
| IT | 20% |
| Operations | 18% |
| Front Desk | 7% |
| HR | 6% |
| Revenue | 5% |

Region

| | |
|---------------------|-----|
| North America | 53% |
| EMEA | 34% |
| APAC | 14% |

Company Type

| | |
|-----------------------------|-----|
| Hotel Brands | 50% |
| Management Companies | 34% |
| Individual Properties | 16% |

Property Type

| | |
|----------------|-----|
| Luxury | 14% |
| Upscale | 34% |
| Midscale | 39% |
| Economy | 14% |